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For Immediate Release Friday, July 6, 2001

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Kentucky insurance consumers win new privacy rights, learn what insurance letter means

FRANKFORT, KY. – Kentucky insurance consumers are learning about their new privacy rights in letters sent to them by their insurance companies or agents, part of a federal law effective July 1, 2001.

Kentucky Insurance Commissioner Janie Miller said the Department of Insurance spent many hours working on privacy regulations and other details to carry out provisions of federal legislation known as the Gramm-Leach-Bliley Act, which governs new privacy rights and is named for the key sponsors.

“Gov. Patton recognized many months ago that we should implement these standards for the protection of Kentucky insurance consumers by July 1 and we proactively met with agents and consumers to make them aware of their obligations,” Commissioner Miller said.

As the state agency regulating insurance companies, agents and other insurance licensees, the Department of Insurance wants consumers to know that all insurance licensees in Kentucky, including agents, companies or others acting on their behalf, must:

- Inform you of their privacy policies;
- Give you an opportunity to prohibit the sharing of protected financial information with unrelated or non-affiliated third parties;
- And obtain your express written permission before sharing health information about you with any affiliated or non-affiliated businesses.

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Insurers are required to provide privacy notices to you prior to disclosing any of your personal financial information. They are required to give you the opportunity to “opt out” or prohibit the sharing of certain financial information with unrelated companies, but you may not prohibit the sharing of such information within the company or its own affiliates.

Health information is now more closely guarded under Kentucky’s new regulations and the federal law. Before sharing health information, insurance companies and agents must get your express, written consent.

Many consumers are calling with questions about letters from insurance companies explaining these same standards. For more details, the Department of Insurance has posted a privacy guide for consumers and separate details for agents and other insurance licensees on our Web site at www.doi.state.ky.us.

Current insurance consumers should have received their notices in the mail on all insurance policies like life, auto and home. If you have group health insurance, your employer should have gotten the notice of your rights.

Future insurance customers must receive these same details at the time of an insurance transaction.

In addition to our Web site, consumers can contact our toll-free number and ask for the Consumer Protection and Education Division at 1-800-595-6053 if they need help understanding these new privacy rights, did not receive proper notice, or have complaints.